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14 February 1951

MEMORANDUM FOR: THE DIRECTOR

SUBJECT: CIA Responsibility with Respect to NSC 29

1. Problem: To clarify the responsibilities of the Agency under NSC 29 and to re-examine whether changes should be proposed.

2. Responsibilities: The pertinent paragraph of NSC 29 is as follows:

"7. The Central Intelligence Agency should be directed to undertake, upon request of the Secretary of State, the responsibility (1) to make surveys of the security of specific industrial operations in foreign countries which are producing materials of strategic importance to the United States, (2) to devise plans for the protection of such operations, and (3) to conduct continuous intelligence surveillance of industrial operations of vital importance and under special threat."

3. The CIA responsibilities specified in NSC 29 or which flow from it are as follows:

a. Responsibility to make surveys of the security of certain industrial operations in foreign countries on request of the State Department and prepare recommendations for the protection of such operations. This function has heretofore been performed by IAS. The function involved here is as follows:

(1) If a field survey is not possible, to prepare recommendations (on the basis of information provided to CIA) for implementation by the State Department for the protection of the plant.

(2) If a survey is possible, to recruit members for a survey team and, with the assistance of the State Department, perform the survey and prepare a report including conclusions and recommendations for transmittal to the State Department for implementation.

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b. O/SC by memorandum agreed to undertake on instructions where there is a special threat to installations covert surveillance and counter-espionage with respect to such installations.

c. Responsibility of O/PC on instructions from JCS or State Department to undertake a special operation in the interests of protection of foreign industrial installations.

d. O/NE has in the past, as a matter of convenience to the State Department, undertaken certain research studies as requested. These have all been completed and it is not the intention of the State Department to levy further requests on the Agency for such studies and NSC 29 does not require such specifically.

4. Discussion:

a. This Agency does not have clearly defined functional responsibility (other than NSC 29) or peculiarly trained personnel for this function.

b. This Agency is not involved in overt field collection abroad.

c. CIA investigative work in the security matters probably is more extensive than that of the State Department.

d. The State Department feels that it is not any better, if as well, equipped as CIA and that regardless of how well thought out our acceptance of this responsibility was, it is their feeling that we have the initiative to either do the job or propose a location of responsibility other than with CIA.

e. In the light of the foregoing and since this Agency has made a commitment CIA could be relieved of its responsibility only by the NSC.

5. Recommendation:

That the Office of IAS should continue to be responsible for the functions set forth in paragraph 1d. above.

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